

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION BUILDING**  
**100 NORTH UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**October 10, 2002**

**MEMBERS PRESENT:**

Mr. Chester Mallory  
Mrs. Jane Mardis  
Mr. Mandell Tillman (arriving at 11:15 a.m.)  
Mr. Ronald Parker  
Mr. Wilder Cheney  
Mr. Otis Stewart, Jr. (leaving at 12:00 noon)

**MEMBERS ABSENT:**

Mr. R.L. Farmer, Jr.  
Mr. Steve Martin  
Mr. Gary Carter

**OTHERS PRESENT:**

Mr. J.W. Holland, Jr.  
Mrs. Lisa Brooks  
Ms. Neva Conway

- 1.0 With quorum present Mr. Parker, Chairman called the meeting to order at 10:20 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3<sup>rd</sup>. Floor Conference Room, Montgomery, Alabama.
- 1.1 The meeting was opened with prayer by Mr. Cheney and then the Pledge of Allegiance.
- 2.0 Members present were Mr. Wilder Cheney, Mr. Ronald Parker, Mrs. Jane Mardis, Mr. Chester Mallory, Mr. Otis Stewart, Jr. and Mr. Mandell Tillman (arriving at 11:15 a.m.). Members absent were Mr. R.L. Farmer, Jr., Mr. Steve Martin and Mr. Gary Carter.
- 3.0 On motion by Mrs. Mardis and second by Mr. Cheney the regular minutes for September 19, 2002 were approved as written. All in favor, motion carried.
- 3.2 Ms. Conway informed the Board that the disciplinary hearing on Mr. Mark Bryant, AB-00-76, AB-01-15 and AB-99-72 might reschedule in December. The Board told Ms. Conway they would prefer to reschedule the hearing for December 12-13, 2002 if possible.

Ms. Conway informed the Board that she was still waiting on recommended actions and finding of fact from the Administrative Law Judge on the Denise Hall case, AB-00-66.

Ms. Conway informed the Board there are several disciplinary hearings scheduled on November 14, 2002.

Ms. Conway informed that Board that Greg Albritton, attorney for John R. Knight and John K. Knight demanded payment of the \$5,000 attorney fee judgment awarded to the Knights.

- 4.0 Ms. Conway informed the Board there could be a special session following the general election in November.
- 5.0 On motion by Mr. Mallory and second by Mrs. Mardis the following applications were voted on as listed. All in favor, motion carried.
- 5.1 **Trainee Real Property Appraiser applications approved:** Laura Betts, Ann Boles (Recip.)(GA), Mark Bradford, Jeremy Braswell, David Bussell, Ethan Couch, Rachel Davis, Larry Keel, Jr., Garreth Moore, James Owens (Recip.)(GA).
- 5.2 **State Registered Real Property Appraiser applications deferred:** Frederick Crochen.
- 5.3 **Licensed Real Property Appraiser application approved:** Michael R. Rogers (Recip.)(GA).
- 5.4 **Certified Residential Real Property Appraiser applications approved:** Lewis McKenzie (Recip.)(GA). **Applications deferred:** Christopher P. Bradford, Sean W. Hollis, Gregory M. Morton, Gregory Walker.
- 5.5 **Certified General Real Property Appraiser applications approved:** James C. Cartwright (Recip.)(GA), John Hottle (Recip.)(GA). **Applications deferred:** Mark Boothe, William R. Fralish. **Application denied:** Frank E. Lindstrom, III.
- 6.0 Mr. Mallory gave the financial report informing the Board that we were 100% into the fiscal year and 97% into budget expenditures. Mr. Holland stated at this time there were no negative trends, which could not be reconciled. Mr. Holland informed the Board that the financial report indicates at the end of the year we will have \$21,000 left but after all encumbered bills have been paid there will only be approximately \$6,000 left which would have our budget at approximately 99.5% at the end of the year. Mr. Holland also informed the Board that as of this date 89% of the appraisers have renewed their licenses. On motion by Mr. Parker and second by Mr. Stewart the Board voted to accept the financial report as read. All in favor, motion carried.
- 6.1 On motion by Mr. Mallory and second by Mr. Cheney the following education courses and instructor recommendations were approved or denied as indicated:

## **ALABAMA ASSOCIATION OF REAL ESTATE APPRAISERS, AREA**

### **Renewals:**

- (LIC) Appraisal Applications – 15 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (LIC) Fundamentals of Real Estate Appraisal – 45 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (LIC) Introduction to the Cost Approach – 15 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (LIC) Introduction to the Income Approach – 15 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (LIC) Introduction to the Sales Comparison Approach – 15 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (LIC) USPAP – 15 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) Review of the Cost Approach – 5 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) Review of the Income Approach – 5 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) Review of the Sales Comparison Approach – 5 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) Advanced Cost Approach – 7 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) Advanced Sales Comparison Approach & Supporting Sales – 7 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) Direct Capitalization Seminar – 7 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) HUD/FHA – 7 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) USPAP – 7 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)
- (C.E.) Yield Capitalization Seminar – 7 Hours – **Approved**  
(Approved Instructor: Everett S. Brooks)

## **AMERICAN REAL ESTATE INSTITUTE**

**Renewals:**

- (LIC) Residential Real Estate Appraiser Course – CA-1 – 60 Hours –  
**Approved**  
(Approved Instructor: Lorren L. Perdue)
- (LIC) Uniform Standards of Professional Appraisal Practice, USPAP –  
15 Hours – **Approved**  
(Approved Instructor: Lorren L. Perdue)  
(Approved Assistant Instructor: Frank W. Anderson, math portion only)
- (C.E.) Real Estate Appraisal Law – CEA II (AKA Alabama Law) 7 Hours –  
**Approved**  
(Approved Instructor: Lorren L. Perdue)
- (C.E.) Improved Appraisal & Reporting: Small Residential Income Property –  
23 Hours – **Approved**  
(Approved Instructor: Lorren L. Perdue)

**MCKISSOCK APPRAISAL SCHOOL**

Instructor seeking approval to teach previously renewed courses:

- (C.E.) Approved Instructor: Kayleen Hart-Swanhorst) – **Approved**

**PRÉCEDA EDUCATION & TRAINING**

**Renewals:**

- (C.E.) Boundary Law, Easements & Right-of-Ways – 12 Hours –  
**Approved**  
(Approved Instructor: Walter G. Robillard)

**COMPUTAUGHT, INC., D.B.A. APPRAISAL WEBSCHOOL**

**Initial Application:**

- (C.E.) CompuTaught Appraisal Methods – 14 Hours – **Approved**  
(Approved Instructor: Stephen G. Williams)
- (C.E.) CompuTaught Overview of the Appraisal Process – 14 Hours –  
**Approved**  
(Approved Instructor: Stephen G. Williams)
- (C.E.) CompuTaught USPAP 2002 – 14 Hours – **Approved**  
(Approved Instructor: Stephen G. Williams)

All in favor, motion carried.

6.2

The Board reviewed the following disciplinary reports, which were included in their books. **AB-00-73**: On September 17, 2002, a Letter of Warning was issued to a Licensed Real Property Appraiser in connection with the appraisal of a single-family residence in which he signed as the primary appraiser. This disciplinary action will be considered in any future discipline proceedings. The

USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to disclose in the report readily observable physical deficiencies in the Subject property. These deficiencies were in the form of cracks in the brick veneer and block foundation of the Subject that were readily observable with a cursory inspection. Licensee incorrectly reported the basement area of comparable sale #2 to be 672 s/f finished and 672 s/f unfinished, when in fact the correct measurements of the finished area was 1018 s/f and the unfinished area was 672 s/f. Had the correct finished basement square footage been used it would have resulted in a lower adjusted sales price. The following USPAP Standards (1998 Ed.) were violated: 1-1(b), 1-4(b)(iii), 2-2(b)(i), 2-1(a). Also violated was §34-27A-20(a)(7), Code of Alabama, 1975.

**AB-00-82 and AB-01-85:** On September 17, 2002, a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the two appraisals of single-family residences in which he signed as the primary appraiser. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Using the Tax Assessor value for the site value in the cost approach is not an appropriate appraisal method or technique. The accrued physical depreciation in the cost approach indicates a 160-year remaining economic life for the subject property and is not credible. In describing the comparable sales in the Sales Comparison Analysis grid, Licensee failed to identify and adjust for superior features including Location and/or Site Value; Design/Appeal; Quality of Construction; Age; and Condition and for certain amenities components including storage buildings; sprinkler system; fireplace and workshop. Licensee failed to exercise reasonable diligence in researching the ownership and sales history of the subject property and failed to report and analyze an existing sales contract. Licensee failed to recognize and adjust for personal property included in the purchase price. The following USPAP Standards (1999 and 2000 Ed.) were violated: 1-1(a), 1-1(b), 1-1(c), 1-4(a), 1-4(b)(i), 1-4(b)(iii), 1-5(a), 1-5(b), 2-2(b)(ix). Also violated was §34-27A-20(a)(7), Code of Alabama, 1975.

**AB-01-12:** On September 16, 2002, a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the appraisal of a single-family residence in which he signed as the primary appraiser. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee committed a substantial error or omission that significantly affected the appraisal by failing to identify the subject as a manufactured home. Because subject was appraised as a site built home, all Comparables utilized in the appraisal are site built and appear superior in location, quality and market appeal, the adjustments made in the sales comparison approach grid are inconsistent or completely omitted. Licensee failed to state the purpose and intended use of the appraisal. Licensee failed to state under which option the appraisal report was prepared. Licensee failed to retain a copy of the appraisal report, the assignment engagement or the signed certification in his work file. Licensee failed to include the certification statement required by Alabama Code. The following USPAP Standards (1997 Ed.) were violated: 1-1(a), 1-1(b), 2-1(a), 2-2, 2-2(b)(iii), Ethics-Record Keeping. Also violated were §34-27A-3(b)(1), §34-27A-20(a)(8), §34-27A-20(a)(14), and §34-27A-26(a), Code of Alabama, 1975.

**AB-01-42 and AB-01-43:** On September 19, 2002, the Board issued an Order revoking the appraisal license of **Elrick Harris, R00527**, a Certified Residential Real Property Appraiser, for a period of two years after which the licensee shall be entitled to apply for reinstatement of his license. The violations identified in both cases are as follows: Comparable sales utilized in the Sales Comparison Analysis of the appraisal report were fabricated. Licensee failed to respond to request for information by the board during the investigation of the complaint. The following was violated: §34-27A-20(a)(5), §34-27A-20(a)(15), Code of Alabama, 1975, Ethics Provision Conduct, USPAP, 1999, and Ethics Rule-Conduct, USPAP, 2001.

**AB-01-86:** On September 18, 2002, a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the appraisal of a single-family residence in which he signed as the primary appraiser. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee inaccurately reported property had public sewer access when it has an individual septic system. A review of market data for the subject neighborhood and for the neighborhood where comparable sales are located indicates that Licensee did not exercise reasonable diligence in researching and making adjustments in the sales comparison approach. Licensee failed to recognize or address that the subject GLA might be super adequate with resulting functional obsolescence for its neighborhood. The following USPAP Standards (2001Ed.) was violated: 1-1(c). Also violated was §34-27A-20(a)(7), Code of Alabama, 1975.

**AB-02-45:** On September 19, 2002, **Michael Davis, T00777**, a Trainee Real Property Appraiser, signed a Voluntary Revocation Consent Order in connection with the appraisal of a single-family residence in which he signed as the primary appraiser. The revocation became effective immediately upon acceptance by the Board and extends for a period of two years after which the Licensee will be eligible to apply for reinstatement of his license.

Mr. Holland discussed with the Board the investigative status charts and noted there have been 42 new complaints in the last two months.

Ms. Conway asked the Board to consider letting some disciplinary hearings be heard in front of an Administrative Law Judge with all information, transcripts, exhibits, etc. mailed to the Board members. Ms. Conway assured the Board the Administrative Law Judge has indicated that this procedure would be legal. After much discussion, on motion by Mr. Mallory and second by Mrs. Mardis the Board voted to review the formal charges of violations and decide on a case by case basis which disciplinary actions would be referred to an Administrative Law Judge for hearing without the Board being convened, provided that the Licensee agrees to a hearing without the Board being present. All in favor, motion carried.

At this time Mr. Holland recognized Mrs. Bentley's good work in helping to clean up old cases.

6.2.1

The Board reviewed Probable Cause Report AB-00-49. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did not

exist and to follow investigative staffs recommendation and dismiss. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-25. On motion by Mr. Cheney and second by Mrs. Mardis the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Board Initiated Complaint Request and Probable Cause Summary AB-02-55 and AB-02-56. On motion by Mr. Cheney and second by Mrs. Mardis the Board voted there is sufficient justification exists to warrant a Board Initiated Complaint. All in favor, motion carried. On motion by Mr. Cheney and second by Mr. Tillman the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Reports AB-02-58 and AB-02-59. On motion by Mr. Tillman and second by Mrs. Mardis the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-69. On motion by Mrs. Mardis and second by Mr. Mallory the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-70 (Companion Case to AB-02-71). On motion by Mr. Cheney and second by Mr. Tillman the Board voted that probable cause did exist. All in favor, motion carried. On motion by Mr. Cheney and second by Mr. Tillman the Board voted to follow investigators recommendation and issue a Letter of Warning. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-71 (Companion Case to AB-02-70). On motion by Mr. Tillman and second by Mr. Cheney the Board voted that probable cause did exist. All in favor, motion carried. On motion by Mr. Tillman and second by Mrs. Mardis the Board voted to follow investigators recommendation and issue a Letter of Counsel. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-72. On motion by Mr. Mallory and second by Mrs. Mardis the Board voted that probable cause did exist and to follow investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-73. On motion by Mr. Tillman and second by Mr. Cheney the Board voted that probable cause did exist. All in favor, motion carried. On motion by Mr. Tillman and second by Mrs. Mardis the Board voted to follow investigators recommendation and issue a Letter of Warning. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-78 and AB-02-79. On motion by Mr. Tillman and second by Mr. Cheney the Board voted that probable

cause did exist and to follow investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-80. On motion by Mr. Mallory and second by Mr. Tillman the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-84. On motion by Mrs. Mardis and second by Mr. Mallory the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-90. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did not exist and to follow investigators recommendation to dismiss due to lack of evidence of violations. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-91. On motion by Mr. Cheney and second by Mr. Tillman the Board voted that probable cause did not exist and to follow investigators recommendation to dismiss due to lack of evidence of violations. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-93. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did not exist and to follow investigators recommendation to dismiss due to a lack of evidence of violations. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-94. On motion by Mr. Mallory and second by Mrs. Mardis the Board voted that probable cause did not exist and to follow investigators recommendation to dismiss due to a lack of evidence of violations. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-97. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did not exist and to follow investigators recommendation to dismiss due to a lack of evidence of violations. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-98. On motion by Mr. Tillman and second by Mrs. Mardis the Board voted that probable cause did not exist and to follow investigators recommendation to dismiss due to a lack of evidence of violations. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-99. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted that probable cause did not exist and to follow investigators recommendation to dismiss due to a lack of evidence of violations. All in favor, motion carried.

Mrs. Mardis asked that the investigators put their names in the same place on the format when writing the Probable Cause Reports.



**Disciplinary Hearing – 1:00 p.m.**

Richard Israel, AB-01-28, AB-02-05

- 6.2.2 No anonymous complaints to report at this time.
- 6.2.3 The Board reviewed Consent Settlement Orders on AB-00-10, AB-01-11, Letter of Warning on AB-00-99 and Letter of Counsel on AB-00-100. On motion by Mrs. Mardis and second by Mr. Tillman the Board voted to approve as stated. All in favor, motion carried.
- 6.2 No reciprocal agreements to report since last meeting.
- 6.3 The following reciprocal licenses were issued since last Board meeting: Ann Boles (GA)(T), John Hottle (GA)(G), Lewis McKenzie (GA)(R), James Owens (GA)(T), Michael R. Rogers (GA)(L).
- 7.0 The temporary permit report was provided to the Board for their information.
- 8.0 Due to a lack of time the Board members will take the Administrative Items home and review at their convenience and discuss if necessary at next meeting.
- Those attending the AARO meeting in Washington, D.C. later in the month were asked if they had any concerns or questions about the trip. All responded in the negative.
- 9.0 Meeting adjourned at 3:40 p.m.

Sincerely,

Lisa Brooks  
Executive Secretary

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**APPROVED:** \_\_\_\_\_  
**Ronald Parker, Chairman**